

FISCAL NOTE

SB 1482 - HB 1341

March 19, 2007

SUMMARY OF BILL: Requires the State Insurance Committee to develop a plan that provides medical insurance coverage solely for local education employees and either an employee's spouse or one (1) dependent (Employee + One plan).

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Assumptions:

- Public Acts 2006, Chapter 963, Section 11, Item 2 appropriates to the Department of Education funding for 45% of the insurance premiums for eligible local education agency employees.
- The General Assembly continues to appropriate 45% in future years.
- According to Division of Insurance (DOI) within the Department of Finance and Administration, and based on the assumption that overall plan revenue attributable to all employees electing coverage for spouses and dependents (under existing family coverage) remains constant, there will be no increase in the state's contribution through the BEP funding formula or by local education agencies on behalf of eligible participating employees.
- According to DOI, any premium savings resulting for employees electing Employee + One plans would be offset by higher premiums for employees retaining family coverage. As a result, revenues to the insurance plans would remain relatively constant.
- The cost for the State Insurance Committee to develop such a plan as proposed is estimated as not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director